UNITED NATIONS

Framework Convention on Climate Change

Distr.
GENERAL

FCCC/IDR.1(SUM)/USA
26 February 1996

Original: ENGLISH

**SUMMARY**

**of the**

# REPORT OF THE IN-DEPTH REVIEW OF THE NATIONAL COMMUNICATION

**of the**

# UNITED STATES OF AMERICA

(The full text of the report (in English only) is contained in document FCCC/IDR.1/USA)

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GE.96-60712

## Summary

1. The in-depth review was carried out between April and August 1995 and included a visit by the team from 22 to 26 May 1995. The team included experts from the Philippines, the Russian Federation, Sweden and the International Energy Agency.

2. The team found the national communication of the United States of America to be generally transparent, well-documented and presented in accordance with the reporting guidelines established for Annex I Parties and recognized that the author country had put major resources into the preparation of the background material for the various sections.

3. The United States of America, having the world's largest economy, is responsible for slightly less than one fourth of global carbon dioxide ($CO_2$) emissions (4520 000 Gg in 1990) and has the highest emissions of $CO_2$ per capita (20 tons compared to an average of 12 tons in countries of the Organisation for Economic Co-operation and Development (OECD), among the Parties that have submitted their communications. Another key factor identified by the team was the fact that low energy prices in the United States are likely to have created limited incentives for energy efficiency improvements and greenhouse gas emission reductions.

4. The team noted that greenhouse gas emission and removal estimates are highly uncertain in several sectors where the United States hopes to achieve significant reductions in net emissions (a problem common to such estimates for all countries), but acknowledged that the United States is putting a great deal of effort into reducing these uncertainties. In particular, the team noted the uncertainty surrounding United States estimates of removals of carbon resulting from anthropogenic activity and believes there is a need to develop common international definitions of "forest land" and "managed forest".

5. The United States Climate Change Action Plan (CCAP) builds and expands upon existing legislation and is primarily made up of a variety of mechanisms to promote and facilitate voluntary actions to deal with emissions of $CO_2$, methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFC) and perfluorocarbons (PFC) as well as $CO_2$ removals by sinks. Efforts to mitigate climate change in the United States have been hampered by the fact that the United States Congress approved less than 50 per cent of the funding required to implement the CCAP in its first year and that it appears likely that the second year of the CCAP will receive an even lower share. Moreover, funding to implement important pre-CCAP programmes, for example under the 1992 Energy Policy Act, has also been cut back by more than 40 per cent and the methane landfill regulation is yet to be issued. The United States is now undertaking, with the participation of industry and environmental stakeholders, an official review on the status of implementation of the CCAP that will be made public in early 1996.

6. The team concluded that the innovative nature of a number of these measures warrant their consideration by other countries as one element of a climate change response strategy. In particular, other countries can benefit from the work the United States has done to create milestones for each CCAP initiative and to develop systems to monitor their implementation and effectiveness. Even so, the team noted that the government is aware of the potential for double-counting the emission reductions associated with different voluntary programmes and the difficulty of separating emission reductions achieved through voluntary initiatives from the baseline emissions projection and that it has addressed this in its assessment.

7. While most of the United States voluntary programmes have met or exceeded their initial implementation milestones, it seems unlikely that more ambitious future milestones will be met unless these programmes are fully funded or modified to account for reduced levels of funding. Major budget cuts for the institutions operating them, notably the Department of Energy (DOE) and the Environmental Protection Agency (EPA), also represent challenges for the continuing of the programmes.

8. While the industry response to call for voluntary actions has been positive, many of the measures outlined in the CCAP are still at an early stage of development. This means that industry has, at this time, often made only very general commitments to take action to reduce greenhouse gas emissions.

9. The team also noted the importance of state and local governments in the implementation of the UNFCCC. In particular, deregulation of utilities and electricity markets envisaged to take place over the next decades, may have several effects on emissions, although the total effect is not clear. Furthermore, these governments also have responsibilities for, inter alia, building standards, highway planning and speed limits.

10. While the team noted that the projections contained in the national communication were methodologically sound and based on reasonable assumptions at the time the CCAP was prepared, key assumptions pertaining to economic growth, energy prices, and funding for CCAP programmes need to be revised. As a result, the team concluded that net greenhouse gas emissions are now less likely to return to 1990 levels than was the case when the CCAP was released. The CCAP had anticipated that energy-related carbon emissions would increase by about 3 per cent between 1990 and 2000 under full plan implementation, with this increase offset by reductions in other greeenhouse gases. When the review was carried out, it appeared that $CO_2$ and HFC emissions had higher growth potentials. In the course of the review, it was noted that energy-related $CO_2$ emissions had likely increased in 1994, because energy demand in that year was 1.5 per cent above the 1993 level. $CO_2$ emissions in 1993 were 4.1 per cent above 1990 levels.

11. The team noted that state and local governments are responsible for most formal education programmes in the United States, and that United States legislation restricts the role of the federal Government in public education on the climate change issue. Despite these limitations, several government agencies undertake public outreach efforts on climate

change. The team recognized the crucial contribution of the United States to the scientific understanding of climate change and noted that this work forms the factual basis for many public education initiatives.

12. While the United States has worked hard to ensure that multilateral institutions incorporate climate change concerns into their financial assistance programmes, it remains unclear if the United States Congress will authorize the funding required for the United States to maintain its current level of official development assistance (0.15 per cent of gross domestic product (GDP), according to OECD/Development Assistance Committee statistics) and to meet its financial commitments to multilateral institutions. The review team was impressed by a number of United States bilateral assistance programmes related to climate change, particularly the United States Country Studies Program. Finally, the team noted that the first projects have been approved under the United States Initiative on Joint Implementation.

**Comments offered by the United States of America[1]:**

> "The United States is pleased with the careful scrutiny and useful review provided by the Secretariat and its review team. It is clear to us that this report could not have been developed in the same comprehensive and thorough manner without the advantage of a country visit, nor would we have been able sufficiently to explain solely through written materials how and why we made various decisions in the course of preparing the U.S. Climate Action Report. We also note that our own domestic preparation for the country visit caused us to reexamine many of the underlying materials that were used in the preparation of the communication. In short, the review process, while still only in its formative stages, clearly serves a valuable purpose.
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> The United States urges that the review teams be careful to remain within the scope of their mandate: the review should focus on the rigor with which countries have followed the agreed reporting guidelines, and the validity of the analyses countries performed to determine their present and future emissions of greenhouse gases. In our view, it would not be appropriate for the teams to make policy recommendations about the relative merits of one or another policy choice by individual countries.
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> The United States appreciated the opportunity to make editorial changes to the text of the report prior to its publication. We believe that with such changes, the final product more accurately reflects up-to-date circumstances in our country."

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[1] This comment is included in accordance with decision 2/CP.1 (see FCCC/CP/1995/7/Add.1).